

# INFRASTRUCTURE CAPITAL DEVELOPMENT FUND



## WORKING RAINY DAY

- The Fiscal Health Dashboard shows two items on the Reserve tab under “Working Rainy Day”
  - Cash Funded Buildings
  - Cash Funded Roads
- These are “rainy day” in the sense that cash could be diverted to other purposes and expenditures could continue through bonding

## BUDGETARY RESERVES

- Three Reserve items under “Budgetary Reserves” are affected by General Fund appropriations and surpluses
  - General Rainy Day
  - Medicaid Rainy Day
  - Disaster Recovery Fund
- Statute directs automatic deposits into these accounts under certain conditions

## INFRASTRUCTURE CAPITAL DEVELOPMENT FUND

- Explore the possibility of creating an “Infrastructure Capital Development Fund” (ICDF) that would combine elements of Working Rainy Day and Budgetary Reserves
  - Statute could direct automatic deposits to the ICDF
  - Cash flowing to the ICDF could be diverted to other purposes

# INFRASTRUCTURE CAPITAL DEVELOPMENT FUND

- Options for automatic deposits
  - General Fund surpluses after other automatic deposits have been satisfied
  - Surpluses from the Transportation Fund (TF) and Transportation Investment Fund of 2005 (TIF)
  - Savings on highway projects
  - Debt service savings

# INFRASTRUCTURE CAPITAL DEVELOPMENT FUND

- Considerations in use of funds
  - General Fund surpluses: free to be directed to any purpose allowed under the ICDF's enabling statute
  - TF: under constitution must be directed to highways
  - TIF: under statute must be directed to highways
  - Savings on highway projects: see TF & TIF
  - Debt service savings: see GF surpluses & TIF

# INFRASTRUCTURE CAPITAL DEVELOPMENT FUND

- Direction of use of ICDF
  - The Legislature could direct projects and amounts that would be funded
    - In recent practice the Legislature has authorized/directed specific highway projects in bond bills
    - Using the ICDF could be an alternative to borrowing for specific projects
    - This would be outside the current process for highway projects
  - Under current statute the Transportation Commission prioritizes projects and amounts